

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Analysis of Senate Committee Print of HR 8427 (2 Sept 64)

1. General: HR 8427 as revised in the Senate Armed Services Committee print dated 2 September 1964 provides for certain employees of the CIA a retirement system essentially the same as the Civil Service retirement system with the following important exceptions:

a. The proposed CIA retirement system permits voluntary retirement at age 50 with 20 years of service, including 5 years of qualifying and 10 years of Agency service, on application of the employee and with the consent of the Director. Under Civil Service, the earliest voluntary retirement is at age 55 with 30 years of service at a reduced annuity.

b. The proposed CIA retirement system permits involuntary retirement at age 50 with 20 years of service or at any age with 25 years of service, including 5 years of qualifying and 10 years of Agency service. There is similar provision in the Civil Service system but the individual's annuity is reduced 15 per cent if retired at age 50.

c. The proposed CIA retirement system provides an annuity based on a straight 2 per cent of the employee's high-5 salary. Under Civil Service, the formula is 1.5 per cent for the first five years, 1.75 per cent for the second five years, and 2 per cent for the remaining years.

2. In terms of the "issues" covered in the notes prepared for your use in meeting with Mr. Knowell, the following are noted in a review of the current Committee print:

a. Involuntary retirement: Provision for involuntary (discontinued service) retirement had been deleted in the earlier Committee print. It has been restored as noted in paragraph 1b above. However, the current Committee print has added a requirement for 20 years of service for involuntary retirement at age 50.

b. Approval of regulations by House and Senate Armed Services Committees: In anticipation of a problem with RSB regarding this provision, we had requested that this requirement be changed from "approved by" to "consultation with." This change has not been adopted.

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Legislation - Early Ret. Ltr

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Remarks:			
Attached is an analysis of the latest Senate Committee print on our retirement bill. The next meeting of the Committee is not until next Thursday. After further study and discussion with Echols on Tuesday, we will forward any specific recommendations for action, if any.			
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